

TRS Employer News



2004-2005 end of school year information

Return Supplementary Report early for retiring members

Because we anticipate a heavy retirement season this summer, we are requesting that you begin submitting Supplementary Reports on May 1 for all members retiring during the summer of 2005.

When to stop the payroll deduction for retiring members

Employers often have questions when retiring members have a Payroll Deduction Program (PDP) agreement. Retirement and termination of employment are qualifying events that terminate a member's PDP agreement. If you have a payroll that occurs on or before the qualifying event (retirement date), the **full** monthly deduction should be made; otherwise, no deduction is warranted. For example, if the retirement is June 5 and the first June payroll is June 1, we expect the full monthly amount. No deduction should be made for July or August. But, if the retirement is June 5 and the first June payroll is June 10, no deduction should be made because the payroll occurred after the retirement.

To ensure that your monthly PDP bill is correct, please fax a list of your district's retirees with PDPs by May 10 to us at (217) 753-0969. Please indicate the retiring member's Social Security number and their final deduction month. Another way to ensure your bill will be correct is to fax your bill with "Final - Retired" noted by the retiring members' names when remitting the last PDP payment for retiring members.

Early Retirement Option (ERO) qualifications and costs

ERO is scheduled to expire on June 30, 2005. To qualify for ERO, the member's final day of employment must occur on or before June 29, 2005. The member's effective date of retirement (i.e. the first date for which the member receives retirement benefits) cannot be later than June 30, 2005.

A cost will be incurred by the member if he/she uses the ERO option and has less than 34 years of service. If the employer is paying the member's ERO cost, the payment by check must be accompanied by an employer payment coupon. The coupon is enclosed with the member's ERO amount due letter and should be forwarded to you by the member.

When there is a member ERO cost, there is a corresponding employer ERO cost. The employer cost is calculated after both the member cost is paid and the retirement claim has been approved. The employer ERO cost will appear on the next monthly Employer Bill. The amount is due upon your receipt of the bill and should be paid by EFT. Please do not pay the employer cost before it appears on the Employer Bill.

Summer earnings required to be reported on an accrual basis

In 2003, the definition of TRS-covered salary was changed to include summer earnings. Since the summer of 2003, wages for summer employment have been reportable to us on generally the same basis as employment during the school term. TRS contributions and THIS fund contributions must be paid on reportable summer

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Early Retirement Option update

ERO bills introduced into General Assembly

Several pieces of legislation that will extend ERO to 2010 were introduced into the 94th General Assembly.

Interested groups continue discussing the various concerns identified with the ERO program. TRS is working closely with these groups and with legislative staff on this issue.

TRS understands the challenging situation teachers face regarding the uncertain future of ERO. As with all issues, it is difficult to predict the outcome of ERO legislation. The TRS Web site will be updated with the most recent information on ERO.



Employer Pay Schedule and Verification of PDP Contracts forms due back early

This year, you should receive the Employer Pay Schedule and Verification of PDP Contract forms the week of April 18, although we normally send the forms in early May. **May 6 is the return date for both forms.** The change in schedule is due to a predicted heavy retirement season; we want the retirement process to be as smooth as we can for members and employers.

The **Employer Pay Schedule form** is used to report your district's 2005-2006 pay dates to us. If your pay dates have not been finalized by May 6th because of contract negotiations, please note this on the form and

fax it to us by the due date. Once your pay dates have been finalized, please fax them to us.

The **Verification of PDP Contracts form** notifies TRS that our records are correct for payroll deduction agreements within your district that have a pay cycle other than 12 months. This information is needed to ensure that your monthly PDP bill during the summer months is correct. Please fax the form to us by May 6, even if there are no changes.

Minor EFT script changes begin in April

Effective April 21, the phone script and Web screens will no longer specify percentages for member retirement or federally funded salary contributions. You may print a paper version of the new phone script by accessing the forms area of the Employer Services page on our Web site or you may obtain a copy by e-mailing us, employers@trs.illinois.gov, or by faxing your request to (217) 753-0969.

You may use either the phone or Internet for remitting because the same PIN number is used for both remittance methods. Please visit the FAQ area of the Employer Services page on our Web site, trs.illinois.gov, for more information on Web remitting.

TRS and THIS Fund contribution increases

As we reported to you in Employer Bulletins 05-01 and 05-04, and as the contribution rate table on the Employer Services page of our Web site shows, the following increases become effective for the 2005-2006 school year:

- the member THIS Fund contribution will increase from 0.75 to 0.80 percent,
- the employer THIS Fund contribution will increase from 0.5 to 0.6 percent, and
- the employer contribution on salaries paid from federal funds will increase from 10.5 to 14.00 percent.

The new rates apply to salaries earned beginning July 1, 2005.

A quick look at Payroll Deduction Program facts

- An agreement is sent to a member upon their request. The member is not required to accept the agreement.
- If the member wants to accept the agreement, they must sign the agreement and forward it to their employer. The employer must sign the agreement and keep the original. A copy should be faxed to TRS at (217) 753-0969 by the 20th of the month prior to the enrollment date of the contract. This notifies TRS of the accepted agreement so the deduction amount can be included on the next monthly PDP bill.
- The deduction sent to TRS each month is a monthly amount per the agreement, regardless of the number of payrolls the employer has each month.
- The "Type" column on your monthly PDP bill indicates if an agreement is for OS (optional service), 2.2, or ERO (Early Retirement Option). If the type is OS, interest accrues monthly on the unpaid account balance. The estimated end date for each agreement is shown on your monthly PDP bill. The monthly PDP Final Payment report will give you three months notice when an agreement is near completion.

For more PDP facts please visit trs.illinois.gov and go to the Frequently Asked Questions (FAQ) area of the Employer Services page.



TRS receives positive feedback from employer survey

The results are in! A big "thank you" to everyone who took time to complete the survey. Your responses will enable us to provide better service to all of you. So far, 644 of the 1,146 surveys mailed have been returned. The statistics that follow summarize the responses.

Employer Meetings

Individual employer meetings have been held with 37 percent of the respondents. Of those who attended an employer meeting, TRS staff knowledge was rated by 98 percent as good or excellent. The TRS staff responsiveness to personal questions/situations was rated as 97 percent good or excellent. The meeting was beneficial to 98 percent of the respondents.

Employer Information Seminars

TRS employer seminars have been attended by 82 percent of respondents. Of those, 99 percent found the seminar to be beneficial. Employer information seminars should be presented annually according to 88 percent of the surveys. The responses show that 96 percent think the seminar information was relevant to their job responsibilities.

TRS Remittances

Over half of the respondents (57 percent) remit EFT payments via the telephone, with the remainder using the Internet. 39 percent rated the ease of making an EFT remittance as good while 51 percent gave it an excellent rating. Similar ratings were given for the ease of use of the Employer Statement, Employer Bill, and

remittance forms. A good rating was received from 49 to 52 percent while 38 to 39 percent indicated an excellent rating.

TRS Publications/*Employer Guide*

The majority of respondents gave a good or excellent rating of the *Employer Guide*, employer bulletins, brochures, and publications features. The chapters on Retirement Benefits, Disability Benefits and Death Benefits should remain in the *Employer Guide* according to 87 percent of the respondents. The printed version of the guide is used by 90 percent of the respondents.

TRS toll-free telephone service

The employer toll-free number has been used by 94 percent of the respondents to contact us. Districts called us the most about completing the Employer's Annual Report of Earnings and creditable or non-creditable earnings. The overall quality of service received was rated at 96 percent good or excellent, with the lowest ranking being for response time when leaving a voice message which was rated as 75 percent good or excellent.

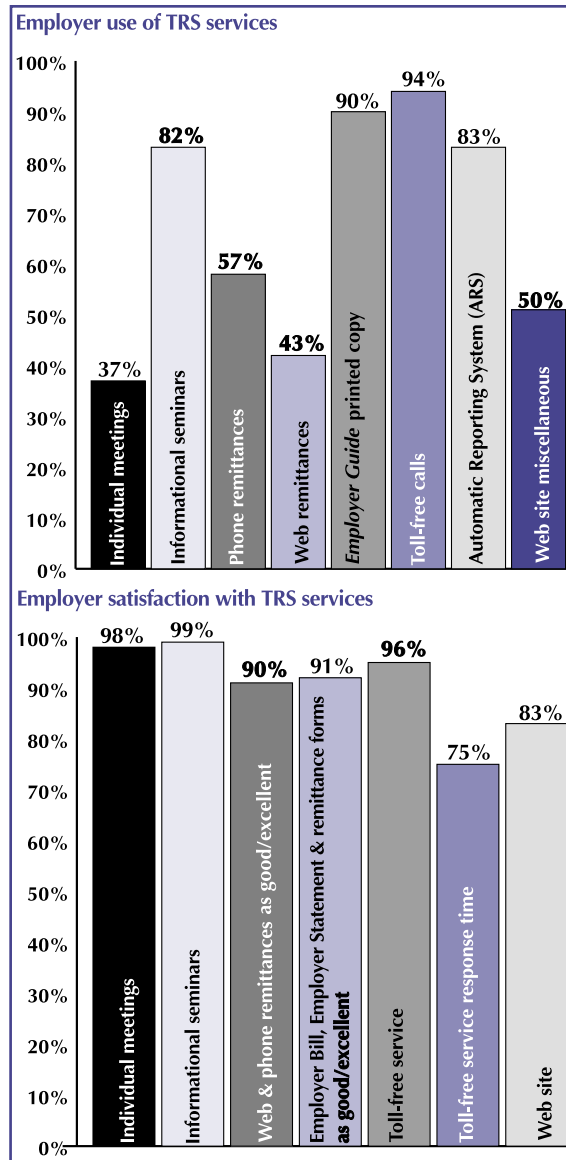
Automated Reporting System (ARS)

The ARS has been used by 83 percent of those who responded. Suggestions for added features included easier downloading instructions, easier transitions from year to year, easier navigation from one record to the next, and more user-friendly pull downs for answers.

TRS Web site

Only 50 percent of respondents have used the TRS Web site other than to make a remittance. Of those respondents, 83 percent rank the ease of using the site, completeness of information, and overall quality as good or excellent. Supplementary Reports would be submitted via the Internet by 83 percent of respondents if it was available.

We will analyze the survey results to determine what may change or be improved upon as a result of your responses. These changes or improvements will be shared with you near the time of implementation.



Simplified TRS Web and E-mail addresses

As of January 1, 2005, we have a new Web site address, trs.illinois.gov. We decided to make it easier to find us on the Web. We would like for you to update our new address in your saved "favorites" area in your Web browser. Our e-mail addresses also changed to [@trs.illinois.gov](mailto:trs.illinois.gov). For example, employers@trs.illinois.gov instead of employers@trs.state.il.us.

Our former Web address, www.trs.state.il.us, and e-mail addresses still work to contact us.



Social Security notification requirements

The Social Security Protection Act of 2004 requires employers to provide a written notice only to **new** employees not covered by Social Security who begin work on or after January 1, 2005.

The notice, Form SSA-1945, Statement Concerning Your Employment in a Job Not Covered by Social Security, can be downloaded from the Social Security's Web site at www.socialsecurity.gov/form1945.

Please use the Social Security number as the employee's identification number. The TRS Code (TRS employer number) should be used for the employer's identification number.

Please sign and date the form and return a copy to us.

How to reach us

Office address

Springfield
P.O. Box 19253
2815 West Washington
Springfield, IL 62794-9253

Web site

trs.illinois.gov

E-mail

employers@trs.illinois.gov

Telephone directory

Toll-free employer number
(888) 877-0890

Toll-free member number
(800) 877-7896

Fax
(217) 753-0969

TDD
(217) 753-0329

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earnings. Social Security contributions cannot be paid on summer earnings that are reportable to us.

Earnings must also be reported to us on an accrual basis. Accrual reporting requires earnings to be reported in the period in which services are performed, which may not coincide with the period in which the earnings are paid. Creditable earnings for services performed from July 1 through June 30 should be reported on each year's Employer's Annual Report of Earnings. When a summer assignment begins in June and continues into July, the related earnings must be reported in the fiscal year in which the service was performed, regardless of when payment was actually issued to the teacher.

Example: A teacher is employed to teach a 20-day summer school session for which she receives \$1,000 on August 1. Summer school begins the last week of June and ends the third week of July. The \$250 accrued earnings for the five days worked in June must be reported as days paid and as creditable earnings for the school year ended June 30. The remaining \$750 earned in July must be reported as days paid and as creditable earnings in the school year beginning July 1.

No changes to the ARS for 2004-2005 school year

The same version of the Automated Reporting System (ARS) used in filing the 2003-2004 annual report will be used for the 2004-2005 annual report*. Please remember that any contributions due to TRS as a result of completing the annual report should be remitted by EFT using 60 as the pay period and 2005 as the fiscal year.

**Additional information will be included with the annual report packet.*

